

QTEC

First Trust NASDAQ-100 Technology Sector Index Fund Analyst Report

This ETF offers exposure to the U.S. tech sector, making it one of many options available to investors seeking to access an industry that is capable of remarkable rallies and steep declines over short periods of time. Given the sector-specific focus, QTEC is probably too granular for those building a long-term, buy-and-hold portfolio, but can be useful for investors putting on a tactical tilt or looking to beef up tech sector exposure. However, its narrow focus and relatively high expense ratio means that it should be avoided by most investors. QTEC holds just 40 securities in total and while it does a decent job of dividing up assets among these firms-- the top ten make up just one-fourth of total assets-- this amount of securities is too small to offer real diversification in the tech sector. Furthermore, with an expense ratio of 60 basis points, the product is about 12 basis points more expensive than others in the category which offer more diversification such as IXN or IYW. For these reasons, investors should avoid QTEC at all costs; its gimmicky structure of holdings only Nasdaq-100 companies that are in the tech sector is rather arbitrary and will not help investors accomplish any objectives effectively.

ESG Themes and Scores

7.14/10 ESG Rate 75.26% Global Percentile 78.6% Peer Percentile

Performance Data

	QTEC	ETF Database Category Average	Factset Segment Average
1 Month	15.41%	7.44%	6.09%
3 Month	48.11%	29.93%	25.12%
YTD Return	45.60%	29.48%	24.40%
1 Year Return	64.15%	48.09%	35.22%
3 Year Return	31.31%	21.36%	18.05%
5 Year Return	17.11%	5.77%	9.37%

Top 5 Holdings

Symbol	Holding	% Assets
MRVL	Marvell Technology, Inc.	5.08%
ARM	ARM Holdings PLC Sponsored ADR	4.88%
INTC	Intel Corporation	4.26%
STX	Seagate Technology Holdings PLC	4.00%
AMD	Advanced Micro Devices, Inc.	3.93%

Vitals

Issuer	First Trust
Brand	First Trust
Structure	ETF
Expense Ratio	0.55%
Inception	Apr 19, 2006
Index Tracked	NASDAQ-100 Technology Sector Index

ETF Database Themes

Category	Technology Equities
Asset Class	Equity
Asset Class Size	Large-Cap
Asset Class Style	Growth
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. Information Technology
Category	Sector
Focus	Information Technology
Niche	Broad-based
Strategy	Exchange-specific
Weighting	Equal

